

## Housing

Spending by the state in support of housing production, access, and subsidies appears throughout the state budget and those of quasi-public entities, some of which are described in detail as part of operating and capital budget analysis. Quasi-public entities authorized to administer housing programs do not appear in the state budget except to the extent that general obligation bond proceeds and pass through funds are appropriated for designated programs. Support is generally provided through major federal grants, general obligation bonds, and a dedicated tax on real estate transfers. This report contains detailed information on these sources, programs, and the state housing policy structure.

### Recent Activity

The 2023 Assembly created a state low income housing tax credit and provided \$444.9 million for use on housing programs, which is \$85.3 million more than enacted. This value excludes regular operating costs borne by managing agencies and is broken out in the table below as noted, some funding reflects the total value of multi-year programs and others are a single year only.

Housing Programs - 2023 Assembly			
Programs	Amount	Source	Managing Entity
Low Income Housing Tax Credit Fund*	\$ 28,000,000	General Revenues	Department of Housing
Elderly Housing Modifications*	85,000	General Revenues	DHS
Livable Home Modification*	766,699	General Revenues	Governor's Commission on Disabilities
Community Development Block Grants*	10,896,940	Federal Funds	Department of Housing
Homelessness Assistance Grants*	3,332,598	Federal Funds	Department of Housing
Housing Opportunities for Persons with AIDS*	350,000	Federal Funds	Department of Housing
ARPA - Foster Home Lead Abatement/Fire Safety	1,875,000	Federal Funds - SFRF	DCYF
ARPA - Homelessness Infrastructure	45,000,000	Federal Funds - SFRF	Department of Housing
ARPA - Targeted Housing Development	31,000,000	Federal Funds - SFRF	Department of Housing
ARPA - Homelessness Assistance	21,500,000	Federal Funds - SFRF	Department of Housing
ARPA - Municipal Homelessness Support Initiative	2,500,000	Federal Funds - SFRF	Department of Housing
ARPA - Municipal Planning	2,300,000	Federal Funds - SFRF	Department of Housing
ARPA - Statewide Housing Plan	2,000,000	Federal Funds - SFRF	Department of Housing
ARPA - Predevelopment & Capacity Building	1,500,000	Federal Funds - SFRF	Department of Housing
ARPA - Preservation of Affordable Units	500,000	Federal Funds - SFRF	Department of Housing
ARPA - Housing Related Infrastructure	4,300,000	Federal Funds - SFRF	Infrastructure Bank
ARPA - Development of Affordable Housing	100,000,000	Federal Funds - SFRF	RI Housing
ARPA - Down Payment Assistance	30,000,000	Federal Funds - SFRF	RI Housing
ARPA - Site Acquisition	25,000,000	Federal Funds - SFRF	RI Housing
ARPA - Home Repair & Community Revitalization	24,500,000	Federal Funds - SFRF	RI Housing
ARPA - Workforce Housing	20,000,000	Federal Funds - SFRF	RI Housing
ARPA - Affordable Housing Predevelopment	10,000,000	Federal Funds - SFRF	RI Housing
ARPA - Proactive Housing Development	1,400,000	Federal Funds - SFRF	RI Housing
Lead Abatement and Housing Rental Subsidies*	4,706,092	Restricted Receipts	Department of Housing
Housing Production Fund*	2,958,058	Restricted Receipts	Housing Resources Commission
Affordable Housing	70,428,352	GO Bonds	RI Housing
<b>Total</b>	<b>\$ 444,898,739</b>		

*\*Ongoing program; value represents FY 2024 enacted budget only*

The 2021 Assembly created the Deputy Secretary of Commerce for Housing within the Executive Office of Commerce. It also provided \$29.0 million from State Fiscal Recovery funds made available through the

American Rescue Plan Act for various housing programs. The 2022 Assembly elevated the Deputy Secretary to become Secretary of Housing and provided that the Office shall be transferred from the Executive Office of Commerce to the new Department of Housing effective July 1, 2023. It also authorized a total of \$250.0 million from State Fiscal Recovery funds over a five-year period from FY 2022 to FY 2026, including \$29.0 million previously authorized, for various housing programs.

The table below shows these funds as approved in the FY 2023 budget enacted by the 2022 Assembly.

<b>2022 Assembly Multi-Year Allocation of State Fiscal Recovery Funds for Housing</b>					
<b>Program</b>	<b>FY 2022</b>	<b>FY 2023</b>	<b>FY 2024</b>	<b>FY 2025 and FY 2026</b>	<b>Project Total</b>
<i>Rhode Island Housing</i>					
Development of Affordable Housing	\$15,000,000	\$30,000,000	\$30,000,000	\$25,000,000	\$100,000,000
Site Acquisition	12,000,000	3,000,000	5,000,000	5,000,000	25,000,000
Down Payment Assistance	-	10,000,000	10,000,000	10,000,000	30,000,000
Workforce Housing	-	12,000,000	8,000,000	-	20,000,000
Affordable Housing	-	2,500,000	2,500,000	5,000,000	10,000,000
Predevelopment					
Home Repair & Community Revitalization	-	15,000,000	10,000,000	-	25,000,000
<i>Office of Housing and Community Development</i>					
Predevelopment & Capacity Building	500,000	500,000	500,000	-	1,500,000
Homelessness Assistance Program	1,500,000	7,000,000	7,000,000	6,000,000	21,500,000
Homelessness Infrastructure	-	15,000,000	-	-	15,000,000
Statewide Housing Plan	-	2,000,000	-	-	2,000,000
<b>Total</b>	<b>\$29,000,000</b>	<b>\$97,000,000</b>	<b>\$73,000,000</b>	<b>\$51,000,000</b>	<b>\$250,000,000</b>

The Governor's FY 2023 revised and FY 2024 recommended budgets retain the same programs but include unspent FY 2022 funds in FY 2023, accelerate all funding enacted for FY 2025 and FY 2026 to FY 2024, and include \$30.0 million more for the Homelessness Infrastructure program for FY 2024. Consistent with legislation passed by the 2022 Assembly, the Governor's budget transfers the Office of Housing and Community Development to the new Department of Housing from the Executive Office. It also includes a total of \$3.5 million from general revenues and 38.0 full-time equivalent positions to support the new Department of Housing.

The Governor subsequently requested budget amendments which contained \$30.0 million more for six new programs and authorized the Secretary to deny any contract, program guidelines, or award made using State Fiscal Recovery funds dedicated for housing.

The 2023 Assembly did not concur with expanding the Secretary's authority over State Fiscal Recovery funds but did concur with most of the amended recommendation and provided \$11.5 million more. The table that follows shows these funds as approved by the 2023 Assembly, some of which are duplicated from the overview table on page one.

<b>2023 Assembly Multi-Year Allocation of State Fiscal Recovery Funds for Housing</b>				
<b>Program</b>	<b>FY 2022</b>	<b>FY 2023</b>	<b>FY 2024</b>	<b>Project Total</b>
<i>Rhode Island Housing</i>				
Development of Affordable Housing	\$ 14,740,825	\$ 30,259,175	\$ 55,000,000	\$ 100,000,000
Site Acquisition	6,000,000	9,000,000	10,000,000	25,000,000
Down Payment Assistance	-	10,000,000	20,000,000	30,000,000
Workforce Housing	-	12,000,000	8,000,000	20,000,000
Affordable Housing Predevelopment	-	2,500,000	7,500,000	10,000,000
Home Repair & Community Revitalization	-	15,000,000	9,500,000	24,500,000
Proactive Housing Development	-	-	1,400,000	1,400,000
<i>Department of Housing</i>				
Predevelopment & Capacity Building	78,609	921,391	500,000	1,500,000
Homelessness Assistance Program	-	8,500,000	13,000,000	21,500,000
Homelessness Infrastructure	-	15,000,000	30,000,000	45,000,000
Statewide Housing Plan	-	2,000,000	-	2,000,000
Targeted Housing Development	-	-	31,000,000	31,000,000
Municipal Homelessness Support Initiative	-	-	2,500,000	2,500,000
Municipal Planning	-	-	2,300,000	2,300,000
Preservation of Affordable Units	-	-	500,000	500,000
<i>Infrastructure Bank</i>				
Housing Related Infrastructure	-	-	4,300,000	4,300,000
<b>Total</b>	<b>\$ 20,819,434</b>	<b>\$ 105,180,566</b>	<b>\$ 195,500,000</b>	<b>\$ 321,500,000</b>

### Structure of State Housing Policy

Since passage of the Housing Resources Act of 1998, three organizations have administered the vast majority of state housing programs and funds: the Office of Housing and Community Development, the Housing Resources Commission, and the Rhode Island Housing and Mortgage Finance Corporation, also known as RI Housing. By statute, the Housing Resources Coordinating Committee was intended to oversee and coordinate all three entities, although this did not occur in practice. All originally existed within the Department of Administration but were transferred to the Executive Office of Commerce effective April, 2015. The Department retained the Division of Capital Asset Management and Maintenance, which is responsible for developing, monitoring, and assisting with the housing production portion of the state guide plan. The 2022 Assembly placed the Office of Housing and Community Development under the Secretary of Housing, removing it from the authority of the Coordinating Committee.

Consistent with legislation passed by the 2022 Assembly, the Budget transfers the Office of Housing and Community Development to the new Department of Housing, thereby turning the Office into a standalone Department with expanded responsibilities and staffing. The Assembly codified the role of the Department as the state's lead agency for housing initiatives and authorized it to deal in real estate.

**Office of Housing and Community Development.** The Housing Resources Act of 1998 established a state housing resources agency, later titled the Office of Housing and Community Development, to address issues related to housing, including the age of the housing stock; public health issues arising from inadequately maintained housing; supported living arrangements for the elderly; a growing population; affordability; declining federal commitment; and declining revenues at the time faced by RI Housing. It functioned as an administrative arm of the Housing Resources Commission, with limited direction from the Executive Office of Commerce, until the 2022 Assembly placed it under the oversight of the Secretary of Housing effective July 1, 2022. Most of the Office's work is coordinating the provision of supportive

services with nonprofit providers. It is the recipient of federal community development block grants for 33 municipalities and various other grants aimed at helping vulnerable populations. Consistent with legislation passed by the 2022 Assembly, the Budget transfers the Office to the new Department of Housing.

**Rhode Island Housing and Mortgage Finance Corporation.** Established in 1973, The Rhode Island Housing and Mortgage Finance Corporation, also known as RI Housing, is a quasi-public corporation statutorily authorized to finance, construct, upgrade, and act as landlord for residential housing and health care facilities. The Corporation supported three healthcare facilities in 1983 but has otherwise never exercised its broad statutory authority. It has intentionally limited its purview to financing housing development and administering housing vouchers and similar programs to minimize its legal, reputational, and financial liability. The Corporation has seven Commissioners detailed in the table that follows, three serve in an ex-officio capacity and four are appointed by the Governor based on professional expertise. The Governor designates the Commission’s chair. In 2022, RI Housing maintained assets totaling \$2.6 billion, although these are largely held in trust for the benefit of bondholders and other third parties and do not represent state resources.

<b>RI Housing Commissioners</b>	
	Director of Administration
Ex-Officio	Director of Business Regulation
	General Treasurer
Appointed	Four members experienced in housing
	design, development, finance, management, and state and municipal finance

The primary activities of the Corporation involve financing housing development and rehabilitation, single family loan origination, servicing associated loans, and carrying out federal rental programs, such as housing vouchers and contract administration. The Corporation’s main products are single-family mortgage and multi-family development loans, often supported by insurance or guarantees through the federal Departments of Housing and Urban Development, Veterans Administration, or Agriculture. The Corporation’s single-family and multi-family lending activities are often supported by insurance or guarantees through the federal Departments of Housing and Urban Development, Veterans Administration, Agriculture/Rural Development, Treasury, or government sponsored enterprises.

Article 6 of 2023-H 5200, Substitute A, as amended, contains facilitating language for the creation of a new proactive development subsidiary of RI Housing. Consistent with protections already granted to the Corporation and other quasi-public corporations, it exempts subsidiaries of the Corporation from taxation and limits tort actions to be against the organization itself and caps the amounts of such actions to less than \$100,000 absent fraud or willful misconduct.

**Housing Resources Commission.** The Housing Resources Act of 1998 also created the Housing Resources Commission to administer policy, planning, and coordination of state housing functions as well to implement guidelines and monitor performance. The 2004 Assembly amended the Act to clarify the Commission’s powers, including providing technical assistance and a formal role for the Division of Statewide Planning. The Commission consists of 28 members listed in the following table. Its chair is appointed by the Governor but cannot be an ex-officio member. The Commission is empowered to participate in lawsuits; enter into contracts; receive and make loans and grants; and to establish and collect fees for its services.

<b>Housing Resources Commission Membership</b>	
<b>Enumerated Entities</b>	<b>Representative of</b>
Director of Administration (Ex-Officio)	Chairperson ( <i>Amended by 1999 Assembly</i> )
Director of Business Regulation (Ex-Officio)	Homelessness
Director of Elderly Affairs (Ex-Officio)	Community Development Corporation
Director of Health (Ex-Officio)	Agency Addressing Lead Poisoning Issues
Director of Human Services (Ex-Officio)	Local Planner
Director of Behavioral Health, Developmental Disabilities and Hospitals (Ex-Officio)	Local Building Official
Chairperson of Rhode Island Housing (Ex-Officio)	Fair Housing Interests
Attorney General (Ex-Officio)	Agency Advocating for Racial Minorities
President of the Rhode Island Bankers Association	Rhode Island Builders Association
President of the Mortgage Bankers Association	Insurers
President of the Rhode Island Association of Executive Directors for Housing	Community Development Intermediary for Non-Profits
President of the Rhode Island Realtors Association	Non-Profit Developer
Executive Director of the Rhode Island Housing Network	Senior Housing Advocate ( <i>Amended by 1999 Assembly</i> )
Executive Director of the Rhode Island Coalition for the Homeless	
Executive Director of Operation Stand Down ( <i>Added by the 2014 Assembly</i> )	

**Housing Resources Coordinating Committee.** The Housing Resources Act of 1998 established a four-member Housing Resources Coordinating Committee to oversee the Office of Housing and Community Development and the relationship between RI Housing and the Housing Resources Commission, including designating which is the state recipient for several federal grants. It was intended to provide coherence to all state housing programs and integrate activities of the Corporation and the Commission. In practice, it meets only after major statutory changes that affect both organizations, and did not meet from 2009 until 2021. In March 2022 and January 2023, respectively, it established guidelines for allowable uses of the Housing Production Fund and a municipal technical assistance program, both created by the 2021 Assembly. The Committee's responsibility to oversee the Office was effectively exercised by the Commission until July 2022, when oversight was transferred to the Secretary of Housing.

<b>Housing Resources Coordinating Committee Members</b>	
RI Housing	Chairperson
RI Housing	Executive Director
Housing Resources Commission	Chairperson
Department of Administration	Director

### **Housing Programs**

Housing programs are broken out in the subsequent section into functional categories, including funding and administering agencies as enacted by the 2023 Assembly.

**Housing Production.** Housing production refers to all programs intended to increase the supply of new housing. This includes technical assistance and grants awarded for housing construction projects, renovation of existing buildings to create new or additional housing, as well as predevelopment assistance for businesses and municipalities to reduce barriers to housing production.

Housing Production				
Program	FY 2024 Recommended	FY 2024 Enacted	Source	Managing Entity
Low Income Housing Tax Credit Fund*	\$ -	\$ 28,000,000	General Revenues	Dept. of Housing
ARPA - Targeted Housing Development	-	31,000,000	Federal - SFRF	Dept. of Housing
ARPA - Housing Related Infrastructure	-	4,300,000	Federal - SFRF	Dept. of Housing
ARPA - Development of Affordable Housing	100,000,000	100,000,000	Federal - SFRF	RI Housing
ARPA - Site Acquisition	25,000,000	25,000,000	Federal - SFRF	RI Housing
ARPA - Workforce Housing	20,000,000	20,000,000	Federal - SFRF	RI Housing
ARPA - Affordable Housing Predevelopment	10,000,000	10,000,000	Federal - SFRF	RI Housing
ARPA - Home Repair & Community Revitalization	25,000,000	24,500,000	Federal - SFRF	RI Housing Housing Resources
Housing Production Fund*	2,958,058	2,958,058	Restricted	Commission
Affordable Housing	70,428,352	70,428,352	GO Bonds	RI Housing
<b>Total</b>	<b>\$ 253,386,410</b>	<b>\$ 316,186,410</b>		

\*Ongoing program; amounts represent FY 2024 only

- ARPA - Low Income Housing Tax Credit Fund. The Budget creates a five-year competitively awarded tax credit for housing developments to be administered by the Department of Housing subject to a \$30.0 million annual program cap and a sunset date of June 30, 2028. The credits will be awarded for a five-year term in equal annual increments and may be redeemed for 90.0 percent of their value. To be eligible, developments must first have been awarded federal low-income housing tax credits. The Budget also includes \$28.0 million from general revenues for the Low Income Housing Tax Credit Fund to prefund the credits.
- ARPA - Targeted Housing Development. The Budget includes \$31.0 million from State Fiscal Recovery funds for a new program that allows the Secretary to target priority housing development projects. Of this amount \$4.0 million will support transit-oriented housing. Priority projects are defined as permanent supportive housing, housing dedicated to vulnerable populations, individuals transitioning out of state care, and extremely low-income Rhode Islanders.
- ARPA - Housing Related Infrastructure. The Budget includes \$4.3 million from State Fiscal Recovery funds to be transferred to the Infrastructure Bank for a new program to support infrastructure necessary for affordable housing development.
- ARPA - Development of Affordable Housing. The Budget includes \$100.0 million from State Fiscal Recovery funds to provide an enhanced level of gap financing for affordable housing developments. This creates an additional direct subsidy as a match to multiple sources of financing. Of this amount, \$10.0 million is reserved for a pilot program to support low income public housing vouchers and financing. The Budget also permits the pilot to include the establishment of a revolving fund.
- ARPA - Site Acquisition. The Budget includes the enacted amount of \$25.0 million from State Fiscal Recovery funds to continue a site acquisition program administered by RI Housing which began during 2020 in response to the coronavirus pandemic. The program subsidizes developers to acquire property to develop into long-term affordable and supportive housing for people experiencing homelessness. The Budget also accelerates \$5.0 million from FY 2025 to FY 2024.

- ARPA - Workforce Housing. The Budget includes the enacted amount of \$20.0 million from State Fiscal Recovery funds to increase the supply of housing for Rhode Island families earning up to 120 percent of area median income.
- ARPA - Affordable Housing Predevelopment. The Budget includes the enacted amount of \$10.0 million from State Fiscal Recovery funds to reduce pre-construction barriers to housing development including prerequisite environmental studies and legal work. The Budget also accelerates \$5.0 million from later years to FY 2024.
- ARPA - Home Repair and Community Revitalization. The Budget includes \$24.5 million from State Fiscal Recovery funds, \$0.5 million less than enacted to support critical home repairs and redeveloping residential or commercial properties, and public and community spaces. This is similar to a program previously administered by RI Housing funded with \$10.0 million from general obligation bonds approved by the voters in November 2016. The Budget also specifies that \$4.5 million of this amount is designated for critical home repairs.
- Housing Production Fund. The Budget includes the enacted amount of \$3.0 million from Housing Production Fund restricted receipts for FY 2024, to provide financial or technical assistance to support the creation and preservation of affordable housing. The 2021 Assembly enacted a second tier of the Real Estate Conveyance Tax, doubling the tax to \$4.60 for each \$500 increment for residential property over \$0.8 million, and reallocated a portion to be deposited in a new housing production fund, effective January 1, 2022. The 2021 Assembly also provided \$25.0 million from general revenues in FY 2022 to capitalize the fund and required that funds be disbursed subject to program and reporting guidelines adopted by the Coordinating Committee. The Assembly also provided \$10.6 million from available restricted receipts for FY 2023 to reflect awards made in November 2022.
- Affordable Housing. The Budget includes \$105.0 million from previously approved general obligation bonds for affordable housing support, including rehabilitation of existing structures and new construction for FY 2023 through FY 2026. This includes \$65.0 million approved by voters in March 2021 and \$40.0 million from general obligation bond funds approved by the voters in November 2016. The Budget programs \$70.4 million for the FY 2023 to FY 2026 period.

**Housing Preservation.** Housing preservation refers to programs designed to retain the existing supply of housing and protect its affordability. This includes support for upgrades, repairs, and maintenance that delay or prevent housing from exiting the housing stock; health related initiatives, such as lead abatement, to increase housing quality and longevity; and efforts to add deed restrictions or reduce capital and operating expenses to preserve the affordability of housing for low- and moderate-income households.

Housing Preservation				
Program	FY 2024	FY 2024	Source	Managing Entity
	Recommended	Enacted		
Elderly Housing Security*	\$ 85,000	\$ 85,000	General Revenues	DHS
				Governor's Commission
Livable Home Modification*	516,699	766,699	General Revenues	on Disabilities
ARPA - Foster Home Lead				
Abatement/Fire Safety	1,875,000	1,875,000	Federal - SFRF	DCYF
ARPA - Preservation of Affordable Units	-	500,000	Federal - SFRF	Dept. of Housing
<b>Total</b>	<b>\$ 2,476,699</b>	<b>\$ 3,226,699</b>		

\*Ongoing program; amounts represent FY 2024 only

- Elderly Housing Security. The Budget includes the enacted level of \$85,000 from general revenues to implement security measures in elderly housing complexes. The funds can be used for a variety of purposes

to help elderly persons feel safe in their homes. The Office of Healthy Aging annually issues a request for proposals to award the funds, which support new lighting, doors, and alarms.

- Livable Home Modification. The Assembly provided an additional \$250,000 for total funding of \$766,699 from general revenues for the Livable Home Modification Grant Program, which provides 50.0 percent of the total retrofit costs to support home modifications and accessibility enhancements to allow individuals to remain in community settings. The grant amount was previously capped at \$4,000 and it is increasing to \$4,500.
- ARPA - Foster Home Lead Abatement/Fire Safety. The Budget includes \$1.9 million from State Fiscal Recovery funds, including \$1.5 million for FY 2023 and \$0.4 million in FY 2024, for lead remediation and fire suppression upgrades for foster homes.
- ARPA - Preservation of Affordable Units. The Budget includes \$0.5 million from State Fiscal Recovery funds for a new program to preserve affordable housing units at risk of foreclosure and blight.

**Supportive Services.** Supportive services are programs that aid housing consumers. This includes financial and information support for prospective homebuyers as well as directed assistance and subsidies that address the special needs of certain populations, such as the homeless. State programs in this category typically take the form of pass-through funds to quasi-governmental and nonprofit organizations.

Supportive Services				
Program	FY 2024	FY 2024	Source	Managing Entity
	Recommended	Enacted		
Housing Opportunities for Persons with AIDS*	\$ 350,000	\$ 350,000	Federal	Dept. of Housing
Homelessness Assistance Grants	3,332,598	3,332,598	Federal	Dept. of Housing
ARPA - Homelessness Assistance	21,500,000	21,500,000	Federal - SFRF	Dept. of Housing
ARPA - Homelessness Infrastructure	45,000,000	45,000,000	Federal - SFRF	Dept. of Housing
ARPA - Municipal Homelessness Support Initiative	-	2,500,000	Federal - SFRF	Dept. of Housing
ARPA - Down Payment Assistance	30,000,000	30,000,000	Federal - SFRF	RI Housing
<b>Total</b>	<b>\$ 100,182,598</b>	<b>\$ 102,682,598</b>		

*\*Ongoing program; amounts represent FY 2024 only*

- Housing Opportunities for Persons with AIDS. The Budget includes \$0.4 million from federal funds for FY 2024 for administration of the federal Housing Opportunities for Persons with AIDS dedicated to supporting services and housing for low-income people living with HIV and AIDS. This is \$0.4 million less than enacted to reflect available funding.
- Homelessness Assistance Grants. The Budget includes \$3.3 million from federal Emergency Shelter Grants and Title XX Shelter Transfer Grants to reflect new awards. This is \$2.0 million less than enacted to reflect federal support returning to pre-pandemic norms. The Housing Resources Commission typically allocates funding to the private shelter system.
- ARPA - Homelessness Assistance. The Budget includes the enacted amount of \$21.5 million from State Fiscal Recovery funds to provide housing navigation, stabilization and mental health services for people experiencing homelessness. It also accelerates \$6.0 million from FY 2025 to FY 2024. The 2021 Assembly included a requirement for the chief of the Office of Housing and Community Development to provide monthly progress reports regarding achievement of these efforts. The Department began submitting reports in March 2023.



- ARPA - Homelessness Infrastructure. The Budget includes \$45.0 million from State Fiscal Recovery funds, \$30.0 million more than enacted, to increase facility capacity for individuals experiencing homelessness. The Budget also expands allowable uses to include prevention and stabilization programs.
- ARPA - Municipal Homelessness Support Initiative. The Budget includes \$2.5 million from State Fiscal Recovery funds for a new program to award grants to municipalities to help pay for public safety and other municipal services, such as trash collection, ambulance, or outreach that support homeless individuals.
- ARPA - Down Payment Assistance. The Budget includes the enacted amount of \$30.0 million from State Fiscal Recovery funds to provide down payment assistance to eligible first-time homebuyers. It also raises the specified award amount from \$17,500 to \$20,000 and accelerates \$10.0 million from FY 2025 to FY 2024.

**Flexible.** Some programs provide funding that is not limited to a specific purpose but can be put to a variety of uses at the discretion of the state through the Housing Resources Commission and Department of Housing.

<b>Flexible</b>				
<b>Program</b>	<b>FY 2024</b>	<b>FY 2024</b>	<b>Source</b>	<b>Managing Entity</b>
	<b>Recommended</b>	<b>Enacted</b>		
Community Development Block Grants	\$ 10,896,940	\$ 10,896,940	Federal	Dept. of Housing
Lead Abatement and Housing Rental Subsidies*	4,706,092	4,706,092	Restricted	Dept. of Housing
<b>Total</b>	<b>\$ 15,603,032</b>	<b>\$ 15,603,032</b>		

*\*Ongoing program; amounts represent FY 2024 only*

- Community Development Block Grants. The Budget includes \$10.9 million from federal Community Development Block Grant funds, \$2.1 million more than the enacted budget. Cranston, East Providence, Pawtucket, Providence, Warwick and Woonsocket are entitlement communities which receive their Community Development Block Grants directly from the Department of U.S. Housing and Urban Development; the remaining 33 communities' grants are administered by the state.
- Lead Abatement and Housing Rental Subsidies. The Budget includes the enacted amount of \$4.7 million from restricted receipts for lead hazard reduction abatement, rental subsidy and shelter operations of the Housing Resources Commission. The 2014 Assembly amended the Real Estate Conveyance Tax statute to provide a permanent stream of funding to be used by the Housing Resources Commission for lead hazard reduction abatement, rental subsidy and shelter operations. The 2015 Assembly further amended the statutes to ensure that the tax applied to property transfers that were accomplished through a different legal maneuver.

**Planning.** Planning costs refer to nonrecurring expenses associated with planning, managing, and reporting on state housing programs. It should be noted that the operating expenses of quasi-governmental organizations do not appear in this publication.

<b>Planning</b>				
<b>Program</b>	<b>FY 2024 Recommended</b>	<b>FY 2024 Enacted</b>	<b>Source</b>	<b>Managing Entity</b>
ARPA - Municipal Planning	\$ -	\$ 2,300,000	Federal - SFRF	Dept. of Housing
ARPA - Statewide Housing Plan	2,000,000	2,000,000	Federal - SFRF	Dept. of Housing
ARPA - Predevelopment & Capacity Building	1,500,000	1,500,000	Federal - SFRF	Dept. of Housing
ARPA - Proactive Housing Development	-	1,400,000	Federal - SFRF	RI Housing
<b>Total</b>	<b>\$ 3,500,000</b>	<b>\$ 7,200,000</b>		

- ARPA - Municipal Planning. The Budget includes \$2.3 million from State Fiscal Recovery funds for a new program to support municipal planning efforts. This includes \$1.3 million for a municipal fellows program and \$1.0 million for transit- and zoning-related grants to municipalities.
- ARPA - Statewide Housing Plan. The Budget includes the enacted amount of \$2.0 million from State Fiscal Recovery funds for a statewide comprehensive housing plan to assess current and future housing needs, consider barriers to home ownership and affordability, and identify services needed for increased investments toward disproportionately impacted individuals and communities. Funds also support municipal planning efforts.
- ARPA - Predevelopment and Capacity Building. The Budget includes the enacted amount of \$1.5 million from State Fiscal Recovery funds for contracted consultants to provide administrative support to the Office of Housing and Community Development. The funding is intended to assist with managing the increased resources for federal and other housing related programs and address the lack of administrative capacity as a barrier to implementing affordable housing initiatives. The 2021 Assembly included a requirement for the chief of the Office of Housing and Community Development to provide monthly progress reports regarding achievement of these efforts. The Department began submitting reports in March 2023.
- ARPA - Proactive Housing Development. The Budget includes \$1.4 million from State Fiscal Recovery funds and facilitating language to create a new proactive development subsidiary of RI Housing.

### **Required Reports**

The status as of June 2023 of all programmatic reports related to housing required to be submitted to the General Assembly or the Chairman of the House Finance Committee, among others, is shown in the following table. The table does not include annual organization-wide financial disclosures and audits, which are all submitted and compliant, nor does it include reports required for programs funded using State Fiscal Recovery funds.

R.I.G.L.	Program	Submitted	Compliant
Department of Housing			
42-64.19	Integrated Housing Report	Yes	Partial
42-64.19	State Housing Reorganization Plan	Yes	Partial
42-128	Housing Resources Commission	No	No
42-128.1	Lead Hazard Mitigation	No	No
42-128.3	Housing Incentives Districts	No	No
44-71	Low Income Housing Tax Credit Fund	n/a	New
45-24	Accessory Dwelling Units	Yes	Yes
45-53	Comprehensive Permitting	Yes	Yes
Rhode Island Housing and Mortgage Finance Corporation			
42-55-22.1	Mortgage Disclosure	Yes	Yes
42-55-22.2	Affirmative Action Fair Housing Policy	Yes	Yes
42-55.1	Housing Trust Fund	Defunct	Defunct
44-53	Development and Preservation Activity	Yes	Yes

**Integrated Housing Report.** Beginning December 31, 2021, the Secretary of Housing is required to submit an annual report including the total number of housing units, occupancy, change in units, net new units in development since the prior report, units by building occupancy and income type, the number and projection of status quo units, units necessary to meet housing formation trends, regional and similar-state comparisons, including fund sources, rental bedrooms, affordability level, permitting statistics, and affordability by municipality. Much of this data must be broken down by municipality, into cost brackets, and growth over the past five years. A small number of these requirements are similar to the Housing Resources Commission report required by the 1998 Assembly. The Executive Office submitted a preliminary report in December 2021 and a final report in January 2023, both of which did not include required recommendations. The Department of Housing later noted that in order to ensure its submission would pass review and verification by the Office of Revenue Analysis, it only pulled from a limited number of reputable existing sources.

**State Housing Reorganization Plan.** The Secretary of Housing was required to submit a housing organizational plan by November 1, 2022 that includes a review, analysis, and assessment of functions related to housing of all state departments, quasi-public agencies, boards, and commissions. The reorganization plan was submitted on November 18 and lacked required formal commentary from other state agencies, an assessment of the current structure, and advantages and disadvantages of the proposed changes. The Department later indicated that input from state agencies and cost-benefit criteria were incorporated into the plan's methodology and are reflected in its recommendations. Under the plan, the Department would assume authority over the Housing Resources Commission, direct administration of all state and federal housing funds currently administered by the Commission and RI Housing, and transferred several programs housed within the Departments of Administration, Behavioral Healthcare, Developmental Disabilities and Hospitals, and Human Services as well as the Executive Office of Health and Human Services and the Governor's Commission on Disabilities. The Department would be responsible for all external communications and statutorily required reports related to housing. It also recommends strong consideration making the Secretary ex-officio chairman of the RI Housing Board and recommends adding the Secretary to the Statewide Planning Council and Public Safety Grant Administration Policy Board. These changes were not included in the Governor's recommendation or the Budget.

**Housing Resources Commission.** The Housing Resources Commission is required to file an annual report on its activities and findings and recommendations on housing issues, including by census tract details on all program spending, health related housing issues, and incidences of lead poisoning. Many of these requirements are similar to the Integrated Housing Report required by the 2021 Assembly. The Housing

Resources Commission indicates it believes this requirement is effectively fulfilled by the annual Housing Fact Book produced by HousingWorks RI, which is neither a state entity nor referenced in statute.

**Lead Hazard Mitigation.** The Housing Resources Commission is required to file a March annual report on progress made to achieving the four-year 2003 strategic plan to mitigate lead poisoning. The Commission signed a memorandum of understanding with the Department of Health to fulfill all responsibilities associated with this program; the report is regularly presented to the Commission but the Commission indicates it has never directly provided them to the General Assembly.

**Housing Incentives Districts.** As of FY 2022, the Coordinating Committee of the Housing Resources Commission is required to file an annual report on commitments and disbursements of technical assistance or school impact payments for municipalities that create and administer a Housing Incentive District. The Commission indicated that this municipal initiative has not yet been implemented and there is no status to report. It should be noted that the report is still required even if there is no status to update.

**Low Income Housing Tax Credit Fund.** Beginning November 1, 2024, the Department of Housing is required to file an annual report that contains the amount of credits approved in the prior fiscal year. Separately, a summary of tax credit agreements must be sent to the Division of Taxation and published on its website.

**Accessory Dwelling Units.** The Department of Housing is required to file a March 1 annual report containing all municipal ordinances related to accessory dwelling units and two prior years of information regarding unit permits and certificates of occupancy. Municipalities are required to provide the Department with this information by February 1.

**Comprehensive Permitting.** The Department of Housing is required to file a March 15 annual report to be posted on its website containing the prior 12 months of information regarding comprehensive permits for each municipality including: letters of eligibility, the number of subsidized units proposed and subsidy sources, status of applications, and the affordability of proposed units. Municipalities are required to provide the Department with this information by February 1.

**Mortgage Disclosures.** RI Housing is required to produce a disclosure of all of its mortgage lenders and loans by census tract with reference to age of recipient, state representative districts, and federal support. The report is required to be available to the public with copies at the Corporation's Office. RI Housing indicates the report takes one week of staff time to create and is provided upon request; however, it has no record of a request ever being received.

**Affirmative Action Fair Housing Report.** RI Housing is required to biennially assess minority participation in all of its programs. The Corporation indicates that producing this report takes four to six weeks of staff time; however, in 2022 its website logged only 16 views, almost all of which were internal. The report is regularly produced consistent with statute.

**Development and Preservation Activity.** RI Housing is required to file a March 15 annual report to be posted on its website containing a list of preservation or development projects approved by the Corporation, the value of support provided, and the resulting certificates of occupancy once available. It also contains the value of fees and taxes paid by affordable housing developments to each municipality.

### **Housing Data**

The Department of Housing reports that as of 2021 there were a total of 481,168 housing units in Rhode Island. The number of households that are cost burdened, defined as those spending 30 percent or more of income on housing, has consistently risen over the past few decades and now represents 47 percent of renter

households and 27 percent of owner households. Detailed information on the quality and status of housing should be included in the Department's Integrated Housing Report, due annually on December 31. The following is a non-exhaustive list of sources for credible information on housing in the state:

RI House Commission on Land Use:

<https://www.rilegislature.gov/commissions/laus/SitePages/hmaterials.aspx>

RI House Commission on Low and Moderate Income Housing:

<https://www.rilegislature.gov/commissions/LMIHA/Pages/hmaterials.aspx>

Division of Statewide Planning:

<https://planning.ri.gov/>

HousingWorksRI:

<https://www.housingworksri.org/Research-Policy/Publications-Reports>

Office of Housing and Community Development:

<https://ohcd.ri.gov/>

RI Housing:

<https://www.rihousing.com/research-reporting/>

United States Census Bureau:

<https://www.census.gov/topics/housing.html>